



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Via Electronic Mail and First Class Mail

OCT 13 2016

Mary K. Prim, Esquire  
Mary K. Prim, PLLC  
Post Office Box 232  
Scott Depot, West Virginia 25560  
mary@maryprim.com

Re: MUR 6812  
Penn Line Services, Inc.

Dear Ms. Prim:

On October 5, 2016, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of a violation of 52 U.S.C. § 30118(b)(3)(B) and (C) (formerly 2 U.S.C. § 441b(b)(3)(B)-(C)) and 11 C.F.R. § 114.5(a)(3) and (4), provisions of the Federal Election Campaign Act of 1971, as amended, and the Commission's regulations. Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy, Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 52 U.S.C. § 30109(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Kamau Philbert, the attorney handling this matter, at (202) 694-1650.

Sincerely,

Mark Shonkwiler  
Assistant General Counsel

Enclosure  
Conciliation Agreement

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FEDERAL ELECTION  
COMMISSION

BEFORE THE FEDERAL ELECTION COMMISSION

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In the Matter of )  
 )  
Penn Line Services, Inc. )

MUR 6812

CONCILIATION AGREEMENT

OFFICE OF GENERAL  
COUNSEL

This matter was generated by a complaint filed with the Federal Election Commission ("Commission"). See 52 U.S.C § 30109(a)(1) (formerly 2 U.S.C. § 437g(a)(1)). The Commission found reason to believe that Penn Line Services, Inc. ("Respondent") violated 52 U.S.C § 30118(b)(3)(B) and (C) (formerly 2 U.S.C. § 441b(b)(3)(B)-(C)) and 11 C.F.R. § 114.5(a)(3) and (4).

NOW, THEREFORE, the Commission and the Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

- I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 52 U.S.C § 30109(a)(4)(A)(i) (formerly 2 U.S.C. § 437g(a)(4)(A)(i)).
- II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. Respondent enters voluntarily into this agreement with the Commission.
- IV. The pertinent facts in this matter are as follows:
  1. Penn Line Services, Inc. ("Penn Line") is a Pennsylvania corporation that operates a construction business in West Virginia.
  2. The Federal Election Campaign Act of 1971, as amended (the "Act") prohibits a labor organization from making a contribution in connection with a federal election. 52 U.S.C § 30118(a) (formerly 2 U.S.C. § 441b(a)); 11 C.F.R. § 114.2(b). Labor

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organizations are permitted to establish and solicit political contributions to a separate segregated fund ("SSF"). 52 U.S.C § 30118(b)(2)(C) (formerly 2 U.S.C. § 441b(b)(2)(C)); 11 C.F.R. § 114.1(a)(2)(iii).

3. All contributions to an SSF must be voluntary and without coercion. *See* 52 U.S.C § 30118(b)(3) (formerly 2 U.S.C. § 441 b(b)(3)); 11 C.F.R. § 114.5(a).
4. The Act and the Commission's regulations make it unlawful for any person to solicit a contribution to an SSF from an employee without informing the employee of the political purpose of the SSF and of the right to refuse to contribute to the SSF without reprisal. 52 U.S.C § 30118(b)(3)(B)-(C) (formerly 2 U.S.C. § 441b(b)(3)(B)-(C)); 11 C.F.R. § 114.5(a)(3)-(4)).
5. The term "person" includes a corporation. 52 U.S.C § 30101(11) (formerly 2 U.S.C. § 431(11)).
6. If the SSF or connected organization suggests a guideline for contribution amounts, the solicitation must state that the guideline is merely a suggestion, that the member is free to contribute more or less than the guideline suggests, and that the union will not favor or disadvantage anyone because of the amount of the contribution or a decision not to contribute. 11 C.F.R. § 114.5(a)(2), (5).
7. Laborers' International Union of North America ("LIUNA") is an international labor organization that primarily represents construction workers. Its affiliate, Laborers' International Union, Local 453 ("Local 453"), represents Penn Line workers. Laborers' International Union of North America PAC ("LIUNA PAC") is the unions' SSF.
8. LIUNA and Local 453 provided Penn Line with a union membership form for new hires that included a payroll deduction section for political contributions to LIUNA

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PAC. That section stated that such deductions were voluntary, the individual could refuse to contribute without reprisal, the union could not favor or disadvantage the employee based on his or her refusal or the amount of the contribution, the contributions would be used for political expenditures or contributions to federal, state, or local elections, and the amounts on the form were merely suggestions.

9. On July 10, 2012, Penn Line hired Jeffrey Richmond as a driver/laborer.
10. Penn Line automatically deducted \$11.51 from Richmond's pay for political contributions to LIUNA PAC without giving Richmond the union authorization form.
11. On or about October 1, 2012, Penn Line mailed Richmond a union membership form. Richmond signed the portion of the form to become a member of the union, but he did not sign the section authorizing deductions to LIUNA PAC.
12. On October 15, 2012, a Penn Line official informed Richmond that his union form was being returned for him to authorize SSF deductions. The next day, Richmond told the official that he would not authorize the deductions. The official later told Richmond that he had been directed to take him home if he continued to refuse, and Richmond was fired for his refusal.
13. At the time Penn Line fired Richmond, it had deducted \$11.51 in unauthorized federal contributions to LIUNA PAC from his pay.
14. Respondent contends that it did not knowingly or willfully violate the law.

V. Respondent violated 52 U.S.C § 30118(b)(3)(B) and (C) (formerly 2 U.S.C. § 441b(b)(3)(B)-(C)) and 11 C.F.R. § 114.5(a)(3) and (4) by failing to inform Richmond that contributions to

the SSF were voluntary, by threatening Richmond's job if he did not consent to payroll deductions for such contributions, and by firing him when Richmond refused to consent.

VI. Respondent will take the following actions:

1. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Five Thousand Five Hundred Dollars (\$5,500), pursuant to 52 U.S.C

§ 30109(a)(5)(A) (formerly 2 U.S.C. § 437g(a)(5)(A)).

2. Respondents will cease and desist from violating 2 U.S.C. §§ 441b(b)(3)(B) and (C), and 11 C.F.R. § 114.5(a)(3) and (4).

VII. The Commission, on request of anyone filing a complaint under 52 U.S.C § 30109(a)(1) (formerly 2 U.S.C § 437g(a)(1)) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Except as otherwise provided, Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

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X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Kathleen Guith  
Kathleen Guith  
Acting Associate General Counsel  
For Enforcement

10-11-16  
Date

FOR THE RESPONDENT:

Michael B Delmar  
(Name) Michael B Delmar  
(Position) Vice President  
Penn Line Services, Inc.

8/24/2016  
Date

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